

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS INTERNATIONAL,
PRIORITY MAIL INTERNATIONAL &
COMMERCIAL ePACKET DUTY AND TAX CHARGEBACK
CONTRACT 1

Docket No.
MC2020-146

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS INTERNATIONAL,
PRIORITY MAIL INTERNATIONAL &
COMMERCIAL ePACKET DUTY AND TAX CHARGEBACK
CONTRACT 1 (MC2020-146)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2020-156

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**
(June 4, 2020)

The United States Postal Service hereby provides its response to Chairman's Information Request No. 1, issued on May 29, 2020.¹ A response was due no later than June 5, 2020. Questions 1 and 2 are stated verbatim and followed by the response. The Commission filed Question 3 under seal, so the Postal Service is filing its response to Question 3 under seal and relies upon the Application for Non-Public Treatment that the Postal Service filed in these dockets on May 28, 2020.²

¹ Chairman's Information Request No. 1 and Notice of Filing Under Seal, Docket Nos. MC2020-146 and CP2020-156, May 29, 2020.

² USPS Request to Add Priority Mail Express International, Priority Mail International & Commercial ePacket Duty and Tax Chargeback Contract 1 to Competitive Product List and Notice of Filing Materials Filed Under Seal, Docket Nos. MC2020-146 and CP2020-156, May 28, 2020, at Attachment F.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. Please explain the differences between contracts to be filed in the proposed Mail Classification Schedule (MCS) § 2510.17, and contracts to be filed in the proposed MCS § 2510.16.³ As part of this explanation, please explain the Postal Service's rationale for proposing MCS § 2510.17 as a separate MCS section rather than including Duty and Tax Chargeback as an optional feature available with specific contracts in MCS § 2510.16.⁴

RESPONSE:

The difference between the contract to be added to be added to proposed MCS § 2510.16 (that is the subject of Docket Nos. MC2020-140 and CP2020-149) and the contract to be added to proposed MCS § 2510.17 in the instant docket is that the former includes Priority Mail Express International ("PMEI"), Priority Mail International ("PMI"), First-Class Package International Service ("FCPIS") and Commercial E-Packet ("CeP"). In contrast, the contract filed in the instant docket does not include FCPIS, but includes Duty and Tax Chargeback.

Because the contract to be added to the proposed MCS § 2510.17 in the instant docket does not include FCPIS, the Postal Service suggests that the contract that is the subject of the instant docket be added to proposed MCS § 2510.17, instead of to MCS § 2510.16.

³ See Request, Attachment C at 2-3 (Proposed MCS § 2510.17); Docket Nos. MC2020-140 and CP2020-149, USPS Request to Add Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 1 to Competitive Product List and Notice of Filing Materials Under Seal, May 27, 2020, Attachment C at 2 (Proposed MCS § 2510.16).

⁴ See MCS §§ 2510.3.5 and 2510.6.5 (showing "Duty and Tax Chargeback" as an optional feature of GEPS and Global Plus Contracts, respectively), available at <https://www.prc.gov/mail-classification-schedule>.

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In the interest of trying to further simplify this matter, the Postal Service is providing a revised Attachment C, to illustrate an alternative Mail Classification Schedule product list, which includes Duty and Tax Chargeback as a feature available with specific contracts in MCS § 2510.17.

In the future, if the Postal Service files a contract with PMEI, PMI, and CeP that includes Duty and Tax Chargeback, the Postal Service proposes to revise the proposed MCS § 2510.16 at that time to include Duty and Tax Chargeback as a feature available with specific contracts in MCS § 2510.16, in harmony with the changes being suggested in this response. As another alternative, MCS §§ 2510.16 and 2510.17 could be merged, and the absence of one or more of the four services for the host piece (i.e., PMEI, PMI, CeP or FCPIS) would not be a defining characteristic necessitating a distinction in the classification schedule. The Postal Service welcomes any further suggestions from the Commission on this matter.

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2. Article 11 of the contract states that the Postal Service can extend the contract for a total of 6 months. *Id.* On July 1, 2020, designated postal operators will be able to self-declare certain bulky letters and small parcel prices. Please confirm that the Postal Service will not be extending this contract. If not confirmed, please provide financial workpapers covering the period allowed by the extension clause.

RESPONSE:

Confirmed that the Postal Service will not be extending this contract.